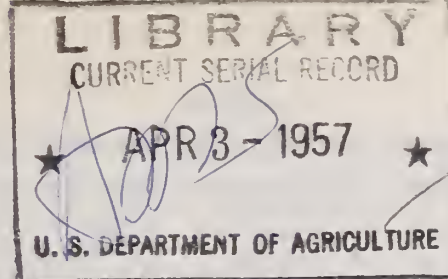


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FOR RELEASE
MAR. 25, P. M.
1957

The

DEMAND and PRICE SITUATION

DPS-27



Approved by the Outlook and Situation Board, March 19, 1957

SUMMARY

A cut in crop production from the 1956 record seems likely on the basis of prospects as the spring planting season gets under way. Acreage planted to crops in 1957 is likely to be smaller than in 1956 and the smallest since World War I, based on March 1 reports from farmers on intended plantings of 16 crops, the planted acreage of winter wheat, the allotment for cotton less Soil Bank acreage, and allowances for other crops. The reduction in acreage from last year primarily reflects increased participation in the Soil Bank.

Farm product prices in the first 2 months of 1957 averaged 4 percent above the same period of 1956. But marketings in January and February were a little less than a year earlier, so that cash receipts totaled only slightly greater. A 2 percent decline from January to February in agricultural prices partly reflected lower prices for hogs and feed grains. Seasonally heavy marketings of soybeans, large winter crops of potatoes and of certain fruits and vegetables as well as record milk production contributed to the decline.

(Continued on page 3)

ECONOMIC FACTORS AFFECTING AGRICULTURE

Item	Unit or base period	1956				1957	
		Jan.	Feb.	Nov.	Dec.	Jan.	Feb.
Industrial production: Seasonally adj. <u>1/</u>							
Total	1947-49=100	143	143	146	147	146	146
All manufactures	do.	144	144	147	148	147	147
Durable goods	do.	159	158	165	166	164	164
Nondurable goods	do.	129	130	129	130	130	130
Minerals	do.	129	131	129	130	130	132
Construction:							
Total outlays, seasonally adjusted <u>2/</u>	Mil. dol.	44,258	3,632	3,699	3,729	3,740	3,708
Private residential	Mil. dol.	15,339	1,279	1,239	1,239	1,211	1,197
Housing starts <u>3/</u> <u>4/</u>	Thousands	1,097	1,127	1,060	1,030	1,010	910
Construction contracts awarded <u>5/</u>	Mil. dol.	24,413	1,860	1,689	1,576		
Manufacturers' sales and inventories: <u>2/</u>							
Total sales, seasonally adjusted	Mil. dol.	27,583	27,224	28,707	28,684	29,073	
Durable goods	Mil. dol.	13,717	13,593	14,321	14,507	14,567	
Unfilled orders-sales ratio <u>6/</u>		4.31	3.97	4.13	4.10	4.08	
Inventory-sales ratio <u>7/</u>		1.56	1.72	1.79	1.79	1.77	
Durable goods		1.82	1.99	2.09	2.06	2.04	
Employment and wages: <u>8/</u>							
Total civilian employment <u>9/</u>	Million	65.0	62.6	65.3	64.6	62.6	63.2
Nonagricultural <u>9/</u>	do.	58.4	57.1	59.1	59.4	57.6	58.0
Unemployment <u>9/</u>	do.	2.6	2.9	2.5	2.5	3.2	3.1
Workweek in manufacturing	Hours	40.5	40.5	40.6	41.0	40.1	40.2
Hourly earnings in manufacturing	Dollars	1.98	1.93	2.03	2.05	2.05	2.05
Income and spending:							
Personal income payments <u>2/</u> <u>3/</u>	Bil. dol.	325.2	317.1	333.5	334.0	335.2	
Consumer credit outstanding <u>1/</u>	Mil. dol.	41,863	37,474	40,631	41,863	40,916	
Automobile	Mil. dol.	14,436	13,574	14,449	14,436	14,389	
Total retail sales, seasonally adj. <u>2/</u>	Mil. dol.	15,956	15,346	16,358	16,491	16,439	16,492
Durable goods	Mil. dol.	5,483	5,354	5,664	5,814	5,706	5,754
Inventory-sales ratio <u>7/</u>		1.50	1.58	1.44	1.45	1.46	
Prices:							
Wholesale prices, all commodities <u>4/</u>	1947-49=100	114	112	116	116	117	117
Commodities other than farm and food	do.	122	121	124	125	125	126
Farm products	do.	88	86	88	89	89	89
Foods processed	do.	102	99	104	103	104	104
Consumer price index, all items <u>4/</u>	1947-49=100	116	115	118	118	118	
Food	do.	112	109	113	113	113	
Prices received by farmers <u>10/</u>	1910-14=100	236	227	234	237	238	234
Crops	do.	242	233	239	240	239	233
Livestock and products	do.	230	220	230	234	237	234
Prices paid, interest, taxes and wage rates <u>10/</u>	1910-14=100	286	280	289	290	292	294
Family living items	do.	278	272	281	283	283	284
Production items	do.	249	245	252	252	255	256
Parity ratio <u>10/</u>		83	81	81	82	82	80
Farm income and marketings: <u>10/</u>							
Volume of farm marketings	1947-49=100	118	97	157	128	119	
Cash receipts from farm marketings	Mil. dol.	30,553	1,972	3,306	2,768	2,574	

Annual data for most of these items for the years 1929, 1932 and 1939-55 appear on page 39 of the April 1956 issue of The Demand and Price Situation.

1/ Federal Reserve Board. 2/ U. S. Department of Commerce. 3/ Seasonally adjusted annual rates. 4/ U. S. Department of Labor, Bureau of Labor Statistics. 5/ Data for 37 Eastern States, compiled by the Department of Commerce from reports of the F. W. Dodge Corporation. 6/ Unfilled orders for durables divided by monthly deliveries. 7/ Inventories, book value, end of month, divided by sales. 8/ Bureau of the Census. 9/ Starting with January 1957, figures are not strictly comparable with earlier periods because of changes in definitions of employment and unemployment. 10/ U. S. Department of Agriculture, Agricultural Marketing Service.

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 T H E D E M A N D A N D P R I C E S I T U A T I O N
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Approved by the Outlook and Situation Board, March 19, 1957

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Consumer income payments--one indicator of domestic demand for farm products--increased more than a billion dollars in January to a seasonally adjusted annual rate of 335 billion dollars. This was 6 percent more than a year earlier and a new record. Employment increased 600,000 in February, a little more than seasonally, while unemployment registered a small decline. Weekly earnings of factory workers also averaged a little higher in February, as a result of a small increase in average number of hours worked.

Continued strength in the market for consumer goods is indicated by a recent survey of consumer finances conducted by the Federal Reserve Board and the Survey Research Center of the University of Michigan. About the same proportion of spending units as last year reported intentions to buy new or used automobiles during 1957, and the average expected outlay was somewhat greater. Plans to purchase furniture and household appliances were little changed from a year earlier. The proportion planning to buy new or existing houses was slightly less than a year ago, but more spending units planned home improvement and maintenance outlays and the average planned expenditure was up substantially.

:
 : The next issue of the Demand and Price Situation :
 : is scheduled for release on April 25, 1957 :
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Expenditures on new plant and equipment will rise 3 percent from January-March to a new high in April-June, according to a recent Commerce Department-Securities and Exchange Commission survey of business investment intentions. Part of the rise is expected to result from higher prices. Nearly all major industry categories have programmed greater outlays for the coming quarter, with the largest proportionate increases planned by public utilities and railroads.

Commodity
Highlights

Hog prices will soon begin their seasonal advance, and are likely to continue above last year's prices for some time. Some gradual improvement in fed cattle prices also seems likely.

Milk production in 1957 may reach a record 128 billion pounds. Dairy product-feed price relationships continue favorable.

Egg prices to farmers after mid-year are likely to average above a year earlier because of large cuts so far this year in hatchings of chicks for laying flock replacement.

Grower prices for soybeans will probably continue around present levels and near the support price for the rest of the marketing year.

Acreage planted to corn in 1957 may be down 5 percent from 1956, if farmers carry out their March 1 planting intentions.

March 1 intentions indicate seedings of 12.8 million acres of all spring wheat in 1957, 21 percent less than in 1956 and the smallest on record.

Seasonally heavy processor demand caused grower prices for Florida oranges to increase a little further in February.

Production of fresh market vegetables for the 1957 winter season was estimated in early March at 29.6 million tons, or 13 percent below 1956.

Potato supplies are heavy, and large new-crop production is in prospect for the next two months. Large quantities are being moved under the potato diversion program.

Supplies of dry edible beans, though smaller than last year, are more than adequate to meet domestic and export demand. Considerable quantities are going under loan.

Exports of cotton from August 1 through December 1956 were about 3 million bales, compared with 0.7 million in the same period of 1955. Exports since December have continued high.

Grower prices for shorn wool were up 21 percent in February from a year earlier.

GENERAL ECONOMIC CONDITIONS

Major indicators of economic activity continue above year earlier levels but have changed little since the first of the year. Industrial output in February was unchanged from January at 146 percent of 1947-49, one point below the record output of December after allowance for seasonal factors and three points above February 1956. Seasonal influences have been mainly responsible for recent variations in nonagricultural employment, as reported by the Bureau of Labor Statistics. The number of such jobholders in February was about 2 percent above a year earlier. Retail trade in February held to the record pace of December and January. The 7 percent increase over February 1956 in dollar volume of retail transactions was partly attributable to higher prices. Both wholesale and retail prices climbed to record highs in early 1957.

A recent survey by the Commerce Department and the Securities and Exchange Commission indicates that businessmen expect to spend 3 percent more on new plant and equipment during April-June than in January-March (table 1). The survey indicates also that seasonally adjusted outlays in the second half of 1957 will be maintained around the second quarter rate. Manufacturing firms, which account for nearly half of all new plant and equipment purchases, plan second-quarter outlays at a seasonally adjusted annual rate of almost 17 billion dollars, 15 percent more than a year earlier. For public utilities, the increase planned for April-June would bring outlays to an annual rate of 6 billion dollars, or 31 percent more than a year earlier. Railroads plan outlays 21 percent above the second quarter of 1956. The same report shows that actual outlays in the fourth quarter of 1956 and those now estimated for the current quarter have shown only a slight upward trend. A continued rise in prices of investment goods accounts for part, if not all, of the recent increase.

In a few industries economic activity has declined in recent months. Output of nonelectrical machinery declined 8 percent from November to February. Lumber output has also been trending downward reflecting reduced home-building. In February lumber output declined for the sixth consecutive month, to a level 12 percent below the peak of last August. Output of major household goods was reduced sharply in January to levels more than a tenth below a year earlier. Production of television sets continued downward in February. Retail sales of furniture and appliances also declined in January.

Table 1.- Expenditures on new plant and equipment by U. S. business, 1955-57

Industry	1955	1956	1956						1957		Percentage change :2nd quar- :ter 1956 : to 2nd : quarter : June 1/ : 1957
			(Seasonally adjusted annual rates)						1957		
			Jan.- Mar.	Apr.- June	July- Sept.	Oct.- Dec.	Bil. dol.	Bil. dol.	Jan.- Mar.	Apr.- June 1/	

Steel mill activity has eased slightly since mid-February and in early March was down to an operating rate of about 94 percent of capacity, the lowest this year. New orders for steel are reported down slightly, reflecting conservative buying by the automobile industry as well as efforts of other durable goods producers to adjust inventories.

Automobile dealers accumulated substantial inventories of new cars in January and February in advance of the usual spring upturn in sales. Production for the domestic market in the first 2 months of 1957 averaged about 6 percent greater than in the same months of 1956, while dealers' sales have run slightly below. Dealers' March 1 inventories were about 750,000. This was substantially greater than on the same date 2 years earlier, but still about 150,000 below the heavy stocks on hand at that time in 1956.

Construction activity in early 1957 continued much as in 1956 with signs of strength in private nonresidential and public construction while home-building remains weak. Nonfarm housing starts in February were at a seasonally adjusted annual rate of 910,000 units, the lowest since May 1949 and a fifth below February 1956. On the other hand, outlays for private nonresidential construction in February were 6 percent above a year earlier, and public construction spending was running 9 percent ahead.

Despite scattered declines in some sectors of the economy, manufacturers' sales increased more than seasonally in January to a record 29.1 billion dollars, a rise of 8 percent from a year earlier. Gains in January were especially large for producers of durable goods, notably primary metals and machinery.

Seasonally adjusted employment in nonagricultural establishments, as reported by the Bureau of Labor Statistics, also increased in February to a new high of 51.2 million, 2 percent above a year earlier. Sizable increases occurred in the number at work in wholesale and retail trade, finance, contract construction, Government and the service industries. The gain in factory employment during the year was small, but was accompanied by a 5 percent gain in average weekly earnings. The uptrend in employment and earnings, coupled with increases in major categories of nonwage income, has contributed to continued growth in consumer income payments in early 1957. The January rate of 335.2 billion dollars (seasonally adjusted) was 6 percent above a year earlier, and a new record.

With record incomes, consumers are also apparently spending at a record rate. February retail sales were unchanged from the peak rate of December and January, except for seasonal variations, and were 7 percent above February a year ago. Instalment buying continued to rise in January at a seasonally adjusted rate about the same as in the fourth quarter of 1956. Total consumer credit outstanding in January amounted to 14 percent of consumer disposable income.

A recent survey of consumer finances by the Federal Reserve Board and the University of Michigan indicates that consumers plan major expenditures to about the same extent as last year. Sixteen percent of the spending units--the same proportion as last year--expressed plans to buy new or used automobiles during the year, but the average intended outlay was somewhat larger. The proportion of consumers reporting plans to purchase new or existing homes during 1957 was slightly smaller than last year, but more reported plans for home improvements and maintenance. There was little change from last year in reported plans to buy furniture or household appliances, though sales have lagged so far this year.

Government spending is also giving strong support to economic activity. Federal, State, and local governments purchased goods and services at a rate of 82 billion dollars in the closing quarter of 1956, a gain of 5 percent in a year. Current prospects indicate a continued uptrend. The Department of Commerce has estimated that Federal purchases of goods and services will rise to 48 billion dollars in the fiscal year ending next June 30, compared with 46½ billion in fiscal year 1955-56, and predicts a further rise to almost 51 billion dollars in 1957-58. State and local expenditures have also trended upward in recent years, with annual gains of nearly 10 percent. This uptrend is likely to continue in 1957, supported by increasing State and local outlays for roads and schools.

PRICE TRENDS AND ECONOMIC ACTIVITY

The major indexes of the general level of prices reached all-time records in early 1957. Consumer prices rose to 118.2 (1947-49=100) in January, a gain of 3 percent in a year and the fifth consecutive monthly record. Wholesale prices began rising in mid-1955 and by February 1957 the index had increased 6 percent. The index in February reached a record 117.0, as declines from January to February in wholesale prices of farm products and processed foods were offset by a small further rise in prices of industrial products.

Both wholesale and consumer prices were fairly stable from the close of the Korean war through the recession of late 1953 and 1954 and the early stages of the 1955 recovery. By mid-1955, however, rising activity had brought many industries to near-capacity operating rates. Further expansion in demand caused prices to start upward. Wholesale prices for a number of important commodities, notably building materials, metals, and rubber, began to rise before mid-1955 but the all-commodities index was held down by a decline in prices of farm products and in the related categories of processed foods, textiles, and hides, skins and leather. Around the middle of 1955, wholesale prices of pulp and paper, furniture and household durables and fuel, power and lighting materials joined the upward movement. Simultaneously a slow uptrend in machinery prices quickened, as did the rise in metals and nonmetallic minerals. Consequently, the all-commodities index of wholesale prices increased gradually in the summer of 1955, though the drop in farm product prices near the close of the year held the net advance between June and December to about one percent. In early 1956 wholesale prices of farm products also began to increase.

Wholesale prices of farm products in 1956 averaged slightly below 1955 but they ended the year higher than at the beginning. Smaller hog marketings, the continued operation of the price support system, and a new Government policy of drawing wheat for export primarily from free market supplies rather than from CCC stocks were important factors in a 5 percent rise in wholesale prices for farm products from January of 1956 to January 1957.

Upward pressure on wholesale prices since mid-1955 has been most apparent for commodities used in business capital formation. The extraordinary rise in investment spending during 1955 and 1956 led to shortages of certain materials and put pressure on existing productive capacity. At the same time, the strong demand created conditions in which it was relatively easy for producers of capital goods to pass on increased costs in the form of higher prices for finished products. Finished producer goods at wholesale rose an average of 14 percent from June 1955 to February 1957. Increases of this same proportion occurred in prices of metals and metal products and of machinery. A 12 percent rise in wholesale prices of fuel, power, and lighting materials reflected heavy industrial requirements as well as rising consumer demand.

Although wholesale prices in general have continued to rise in early 1957, marked declines have occurred since January 1 in primary market prices for some important raw industrial commodities. In the second week of March, prices of steel scrap were down 29 percent from January 1, copper scrap down 12 percent, copper ingots 11 percent, and aluminum scrap 5 percent.

Although the upturn in consumer prices occurred later than that in wholesale prices, the rise in recent months has been sharp and steady. In the spring of 1956, retail food prices turned up reflecting a gain in prices of fruits and vegetables and a recovery in meat prices from the very low levels of the winter. As a result, the BLS index of prices of all consumer items gained 3 percent between January 1956 and January 1957. All major components contributed to the rise. Commodity prices in general rose more rapidly than in the preceding several years, but costs of services continued upward at about the same rate as in 1953-55. Retail food prices in January 1957 were up 3.3 percent from their low of a year earlier, apparel was up 2.2 percent, transportation costs, 5.4 percent, and medical care 3.5 percent.

Rural living costs also have increased substantially in the past year. In February the Agricultural Marketing Service Index of Prices Paid by Farmers for Family Living Items reached a record 284 percent of the 1910-14 average. A year earlier the index was 272, a level near which it had held for more than 4 years.

Recent Trends in Farm Product Prices

Prices received by farmers moved generally higher during 1956, finishing the year 7 percent above December 1955. Although the index declined 5 percent between June and October during the period of seasonally heavy

Table 2.- Major price indicators, 1950-56,
and selected dates, 1955-57

Indexes 1947-49=100

Period	Consumer prices 1/		Wholesale prices 1/		Prices paid by farmers 2/	Prices received by farmers 3/
	All items	Food	All commodities	Farm products		
1950	102.8	101.2	103.1	97.5	103	95
1951	111.0	112.6	114.8	113.4	113	112
1952	113.5	114.6	111.6	107.0	115	106
1953	114.4	112.8	110.1	97.0	112	95
1954	114.8	112.6	110.3	95.6	113	92
1955	114.5	110.9	110.7	89.6	113	87
1956	116.2	111.7	114.3	88.7	114	87
1955						
June	114.4	111.3	110.3	81.8	113	89
Dec.	114.7	109.5	111.3	82.9	111	82
1956						
June	116.2	113.2	114.2	91.2	114	91
Dec.	118.0	112.9	116.3	88.9	116	87
1957						
Jan.	118.2	112.8	116.9	89.3	117	88
Feb.			117.0	88.8	118	86

1/ Bureau of Labor Statistics.2/ Prices paid for commodities and services, interest, taxes, and wage rates (the Parity Index).3/ Prices received for all farm products.

marketings of many products, some recovery came in December 1956 and January 1957. Farm product prices have averaged above a year earlier each month since last June.

In February, the Index of Prices Received by Farmers declined 2 percent to 234 percent of the 1910-14 average, compared with 227 a year earlier. The decline from January was fairly general. Hog prices averaged 6 percent lower than in mid-January. Dairy product prices eased somewhat less than seasonally. Lower prices were received for tomatoes and some other commercial vegetables. However, prices of chickens continued to advance in February from the low level of last fall.

Central market prices of major farm commodities changed little on the average during the four week period ended in mid-March. Feed grain prices were generally stable, with a small decline in oats and a small gain in corn prices. Beef cattle prices improved gradually over the four-week period. Prices of hogs (barrows and gilts at Chicago) were off a little through the first week of March, but regained their loss by mid-month. Prices of eggs (midwestern mixed colors, Fancy, Heavy weights 65%-A at New York) showed a net gain of about 5 percent in mid-March from their low level of mid-February. Prices of North Georgia broilers continued to rise in late February and early March, but turned down in the second week of March.

WORLD PRODUCTION AND TRADE DEVELOPMENTS

World production and trade in most crops and livestock products reached new high levels in 1956. ^{1/} In recent years world agricultural output has increased $2\frac{1}{2}$ percent a year compared with a $1\frac{1}{2}$ percent increase in world population. Nevertheless, per capita production remains somewhat below prewar for the world as a whole, due to lower relative output in the communist areas. In the free world there are also areas where per capita production is still below prewar. Thus, the need for imports from the surplus producing countries has remained high. In 1956, world import demand was buttressed by bouyant overall economic activity, and agricultural prices in international markets averaged higher than in the preceding year.

World grain production in 1956-57 is estimated at 809 million short tons. Compared with 1935-39, world output of breadgrains, rice and coarse grains rose 14, 19, and 26 percent respectively. The largest relative increases have been in the United States. Since 1950-54, however, foreign countries have accounted for most of the rise in world output as virtually all importing countries have pursued policies aimed at greater self-sufficiency. The United States is the world's largest exporter of food and feed grains. Shipments from this country offset a net decline in the exports of the rest of the world, and brought about a rise in world grain trade of 10 percent since 1950-54 and 24 percent since prewar. United States grain exports in 1955-56 reached a near record volume despite increased foreign supplies. The level of

^{1/} World production and trade data for major U.S. export commodities are given in table 3.

our exports reflects the fact that foreign per capita production of bread-grain and rice is still well below prewar, and foreign livestock industries are expanding. U. S. exports will remain high in 1956-57: shipments thus far are above the previous year and outstanding commitments under export programs are substantial.

World cotton production in 1956-57 is estimated at 39 million bales; foreign outturn is nearly 1 million above last year as a result of larger production in the communist countries. Spurred by the value of cotton as a foreign exchange earning (and conserving) crop, foreign production of cotton has increased 38 percent from prewar, while the U. S. share of world output declined from 41 to 34 percent. Because the newer cotton areas expanded production sharply and exported a large part of their output, the U. S. share of relatively stable world exports (12-13 million bales) declined from 41 percent prewar to an average of 24 percent during the crop years 1954-55 and 1955-56. However, a big rise in world trade is expected in 1956-57 as a result of foreign re-stocking and higher consumption. With U. S. prices competitive, this country will probably account for at least 45 percent of the estimated exports of 14.5 million bales.

World output of unmanufactured tobacco totaled an estimated record 8.5 billion pounds in 1956, a rise of 26 percent since prewar. Two-thirds of the increase was in foreign countries. Notably, the production of flue-cured tobacco (the major U. S. export type) in non-communist foreign countries has risen fourfold over prewar. Potential competition is also developing from Communist China. Most tobacco importing countries have taken active measures to reduce their reliance on foreign sources. Nevertheless, world trade in unmanufactured tobacco has increased by one-third since before the war, with nearly 70 percent of the rise due to larger foreign exports. U. S. exports during 1955 were unusually high as a result of foreign re-stocking; they were 6 percent lower in 1956 and are likely to show a further decline in 1957.

The United States has emerged in the postwar period as the world's largest exporter of fats and oils. Before the war this country was on a net import basis. World output in the intervening years rose 29 percent, to an estimated 30.4 million short tons in 1956 (oil equivalent basis). Nearly two-thirds of the increase was in the United States. Foreign per capita production is still well below prewar. United States exports, which were negligible before the war, accounted for 31 percent of world exports in 1956. Even though foreign exports were down 14 percent from prewar, the increase in U. S. exports raised the world total by 18 percent. Last year exports absorbed 35 percent of U. S. production. The export outlook for this year continues favorable.

Table 3.- United States and World Production and Exports for Selected Commodities, 1955-56, with comparisons 1/

Commodity	Unit	Production			Exports		
		1955, 1956 aver- age	Change from 1950-54 aver- age	Change from pre- World War II average	1955- 56	Change from 1950-54 aver- age	Change from pre- World War II average
Wheat and Rye-Total	Million	264	7	32	31.4	1.1	11.2
United States	short tons	29	-4	5	10.4	.4	8.7
Foreign		235	11	27	21.0	.7	2.5
Rice <u>2/</u> -Total	Million	213.5	18.0	34.4	6.2	1.0	-2.6
United States	short tons	2.5	---	1.4	1.0	.3	.9
Foreign		211.0	18.0	33.0	5.2	.7	-3.5
Coarse grains <u>3/</u> Total	Million	325	39	64	17.1	2.4	2.2
United States	short tons	124	9	37	8.4	3.4	7.0
Foreign		201	30	27	8.7	-1.0	-5.8
Cotton-Total	1,000	39,228	3,553	7,539	12,484	265	-408
United States	bales	14,012	-80	863	2,953	-1,181	-2,343
Foreign		25,216	3,633	6,676	9,531	1,446	1,935
Tobacco, unmanufac- tured <u>4/</u> -Total	Million	8,425	795	1,744	1,392	142	356
United States	pounds	2,161	-23	701	540	66	119
Foreign		6,264	815	1,043	852	76	237
Fats and oils <u>5/</u> - Total	Million short tons	29.6	2.8	6.0	7.7	1.3	1.2
United States		7.1	1.0	3.6	2.2	1.0	2.1
Foreign		22.5	1.8	2.4	5.5	.3	-.9

1/ Latest data available. Generally years refer to the following period: grains (except rice), year beginning July 1; cotton, year beginning August 1; rice, tobacco, fats and oils, calendar years. Exports of cotton and fats and oils represent average of 1955 and 1956. Prewar data refer to 5-year averages, 1934-38 or 1935-39.

2/ Production of rough rice. Exports on a milled rice basis.

3/ Production of corn, barley and oats. Exports of corn, barley, oats and sorghum grain.

4/ Production: Farm sales weight; exports; declared weight. Exports exclude Soviet bloc and communist China whose exports are estimated at between 110 and 130 million pounds or about double prewar.

5/ Animal, vegetable and marine fats and oils; fat or oil equivalent basis.

FARM INCOME

Farmers received about 4.5 billion dollars in the first 2 months of 1957, slightly more than in the same months of last year. Prices averaged 4 percent higher than a year ago, but the volume of marketings was down a little. Receipts from livestock and products of 2.6 billion dollars were 6 percent above last year because of higher average prices. Receipts from cattle, hogs, and wholesale milk contributed most to the increase. Crop receipts were about 1.9 billion dollars, 4 percent below a year ago, mostly because of smaller receipts from cotton.

Total receipts in February are tentatively estimated at 2.0 billion dollars, slightly above last year. Average prices were up 3 percent but total marketings were down slightly. Receipts from livestock and products of 1.2 billion dollars were 4 percent above a year ago, with hog prices up substantially. Crop receipts of 0.8 billion dollars were about the same as last year.

LIVESTOCK AND MEAT

Meat production so far this year has totaled moderately less than a year earlier, as a slight gain for beef and veal has offset only part of the sharp drop in pork output. Cattle slaughter has been held above early 1956 levels largely by increased marketings of cows and other cattle off grass. The reduced rate of hog slaughter follows a cut in late spring pigs of 1956 and a 4 percent reduction in the fall crop.

Cattle slaughter will likely be close to year-earlier levels this spring and summer. Timely rains, such as occurred recently in parts of the drought stricken West and Southwest, may hold grass cattle marketings this summer and fall below a year earlier. Marketings of fed cattle likely will be more evenly distributed month by month in 1957 and will total about as large as in 1956. Hog slaughter will continue under last year, but the margin below a year earlier will gradually diminish this summer and fall. No marked change from last year's rate of slaughter seems likely for sheep and lambs.

Based on the slaughter in prospect, price movements for most meat animals during the rest of the year will probably follow the usual seasonal pattern. Some gradual improvement in fed cattle prices seems likely. The price level for cows and stocker cattle will depend in large measure on the weather. Near normal rains would mean higher prices, and might hold prices up until later than usual this spring. Hog prices will probably fluctuate around recent levels until later in the spring, when a seasonal advance will begin toward a summer high. Prices will probably continue above last year's prices. The fall price decline from the summer peak will probably be greater than last year, and prices at the end of the year may be near or slightly below late 1956 when they were on an upswing.

DAIRY PRODUCTS

Prices for all milk and butterfat so far in 1957 have been a little above a year earlier. This is the result of higher support prices for manufacturing milk and butterfat since April 1956 and a slight increase in the proportion of milk utilized in fluid milk outlets. Through the spring and summer, prices are likely to continue near present levels except for seasonal fluctuations, since the support level for the marketing year beginning April 1, 1957 will be the same as a year earlier.

Production of milk on farms continues to exceed previous record high levels, although the number of milk cows showed a 1 percent decline on January 1, 1957 compared with a year earlier. Production of milk per cow exceeded 6,000 pounds per cow in 1956 for the first time on record and apparently will go still higher this year. Production in total promises to be around 128 billion pounds compared with the revised 1956 figure of 125.7 billion pounds. Three-fourths of the States showed increases in 1956. Dairy product-feed price relationships will be at least as favorable this year as last in view of the large supplies of feed grains on hand. This is an important reason for expecting continued large milk production.

Consumer incomes are high and consumption per person of dairy products in 1957 will be at about the level of 1956. The increase in total consumption is likely to be about equal to the prospective increase in production. The volume of purchases by USDA in 1957-58, therefore, probably will be about the same as purchases in the past two marketing years. Recently, the surplus has been around 5 billion pounds per year or about 4 percent of production. Government stocks have been reduced to comparatively low levels for butter and dry milk. Holdings of cheese, though still large, are considerably smaller than a year earlier.

POULTRY AND EGGS

The outlook for egg prices to farmers in the last half of 1957 has improved reflecting the large cuts so far this year in hatchings of chicks for laying flock replacement. Hatchings in January and February were respectively 18 and 30 percent below the same month last year and on March 1, 26 percent fewer replacement-type eggs were in incubators than a year earlier. The reduced early hatch indicates probability of a larger cut in the fall pullet flock than anticipated earlier.

In January, farmers intended to raise 9 percent fewer chickens this year than last. This cut will be exceeded if hatchery operations continue below last year as much as in the first few months. However, the reduction is likely to be less than early in the season, because the prospect for improved prices next fall may stimulate hatchings of replacement chicks later this season.

Current egg prices are lower than at any time in the spring of either 1955 or 1956. Average production of about 3.5 million cases weekly in February was about the same rate as in those years. The laying flock is less than 1 percent larger than a year ago, and production rates for the next 2 months or so are likely to peak at about year-ago levels.

Average prices this spring are likely to continue lower than a year earlier. This fall, however, prices are likely to average above a year earlier because of the reduction in laying flock replacement this spring.

Storage demand, though below a year earlier, may be strong enough this spring to prevent further substantial egg price declines, if prospects continue for a sharply reduced pullet flock this fall. Also, from early in February through mid-March, the Department of Agriculture bought about 50,000 cases of eggs weekly for use in the School Lunch Program.

Broiler production in 1956 rose to a record of about 1.3 billion birds, 24 percent more than in 1955. Greater integration of production and marketing and lower production costs have been partly responsible for the increase despite lower prices than in any year since 1941. Prices so far this year have been higher than in the last few months of 1956, but the U. S. average farmers' price of 19.4 cents in mid-February was 2 cents lower than a year earlier. Recent placements have been 3 to 7 percent higher than a year earlier.

Turkey hatchings to date exceed last year by more than farmers' January intentions, which were to grow 10 percent more turkeys than in 1956. The 1956 crop of 76 million birds was record large. Per capita consumption equivalent to 5.1 pounds of ready-to-cook turkey was only 0.1 pound larger than in 1955. Storage stocks in late 1956 rose to a record high, and on February 1, 1957, were 75 million pounds above a year earlier. These large stocks, plus prospective larger supplies of fresh turkeys, will discourage price increases such as occurred in January-July last year. Current prices for frozen turkeys in New York City are 8 to 11 cents per pound below a year earlier.

OILSEEDS, FATS, AND OILS

If farmers' intentions as of March 1 are realized, soybean acreage planted in 1957 will increase 775,000 acres or 3.5 percent over the 1956 record. This will mean eight years of successive increase starting with 1950 during which soybean acreage has nearly doubled. This year's moderate increase is due to increases in most main producing States with Illinois, Minnesota, Iowa, and Arkansas leading in expansions. Flaxseed acreage in 1957 is expected to remain virtually unchanged from a year earlier. If yields are average, production of soybeans and flaxseed will be down from last year. Total acreage of peanuts may be only slightly smaller than last year. However, if yields are average, supplies will be adequate to meet edible and farm uses.

Supplies of food fats and oils through next September will be near record high, maintained by the very heavy supply of soybean oil. Exports are expected to continue at a high rate during most of 1957. Domestic use of lard is up from a year ago, but edible oils are down somewhat. Stocks of food fats and oils next September 30 are likely to be the lowest for this date since 1951. However, the carryover of soybeans will be up, and its oil equivalent will more than offset the drop in food fat stocks.

Exports of soybean and cottonseed oil in the October 1956-January 1957 period were nearly 500 million pounds, equal to more than 40 percent of total exports in 1955-56. Exports were 330 million in October-January a year earlier. Soybean oil exports the first 4 months of the current marketing season were more than double the same period last year, but cottonseed oil exports were down slightly. Heavy shipments under P. L. 480, principally to Spain, got under way earlier this marketing year than last.

Exports of soybeans from October 1956 through February 1957, based on inspection reports, were 50 million bushels compared with 45 million a year earlier. The total for the season is likely to exceed last year's record 67 million bushels by at least 10 million.

Crushings of soybeans are continuing at a record pace--more than 28 million bushels in January--and are expected to total 325 million bushels, 15 percent more than the previous peak. So far this season, oil outturn per bushel of soybeans processed has averaged about 10.7 pounds, down 0.3 pound from last year.

Although soybean oil meal exports are still running well above those of last year, the increase has not been large enough to offset the sharp decline in exports of cottonseed and linseed cake and meal. The current peanut surplus is also stimulating exports of peanut cake. This situation is likely to continue through the remainder of the marketing year.

Farm prices of soybeans, flaxseed, and cottonseed declined somewhat in February, reflecting primarily the large supplies of oilseeds and lower oil prices. The outlook for soybean prices the rest of the marketing year is dominated by large supplies. Unless demand rises, soybean prices to farmers probably will continue around present levels and near the support price. Soybean prices during October-January averaged moderately higher than the period a year before, but February through mid-March were lower. Prices through June probably will average lower than last year, as a repetition of a rise in prices similar to last spring and summer is unlikely unless foreign demand is exceptionally great. Crusher and export demand is expected to remain strong.

Farmers placed more than 65 million bushels or 14 percent of the 1956 crop soybeans under support. Redemptions and deliveries can be made through May. A sizable quantity of 1956 soybeans is likely to be acquired by CCC. Any

quantity taken into CCC inventory at loan maturity will not be sold for either domestic use or export at less than the higher of either domestic market price or current support price plus 1.5 cents per month carrying charges. This sales policy will remain in effect until October 1, 1957.

Butter prices to farmers in 1957 probably will be about the same as in 1956. Butter exports may be much smaller than last year, reflecting reduced donations from CCC stocks which represented the bulk of exports in 1956. Little change is expected in domestic consumption of butter in 1957.

Lard prices are being maintained well above a year earlier, partly reflecting the reduced hog slaughter. Exports in October 1956-January 1957 were somewhat less due to higher export prices and increased domestic use of lard in shortening. Prices through the rest of the marketing year probably will hold moderately above last year.

Peanut supplies continue plentiful and much larger than required for food and farm uses. Farmers placed about 25 percent of the 1956 crop peanuts under support; most of that now under support will be acquired by CCC. The 1956-57 season average farm price is estimated at 11.1 cents per pound, slightly less than the support price.

The price of 1957 crop peanuts is to be supported at a minimum national average level of 11.1 cents per pound, 0.3 cents lower than in 1956. The minimum support price, which is 82 percent of the January 15, 1957 effective parity price, will be adjusted upward at the beginning of the marketing year (August 1), if at that time the effective parity and a change in supply from that now estimated results in calculation of a higher support price.

FEED

The total acreage planted to corn in 1957 will be reduced to 74.4 million acres, 5 percent less than in 1956 and 9 percent below the 1946-55 average, if farmers carry out their March 1 planting intentions. A 2.5 percent reduction also is in prospect for oats, while substantial increases from 1956 are in prospect for barley and sorghum grains. While no forecast is made of production at this time, 1951-55 average yields by States on the prospective acreages would result in a feed grain production of around 119 million tons, about 10 million tons below the big crop of 1956, but nearly equal to the 1946-55 average.

Market prices of feed grains have been stable in recent weeks after declining from January to the middle of February. The price of No. 3 Yellow corn at Chicago averaged \$1.29 per bushel for the week ended March 8, practically the same as a year earlier. Corn prices were higher during October-February 1956-57 than a year earlier. But they probably will rise less during the next few months than a year ago and average

lower this spring and summer than in the same period of 1956. Prices of oats, barley, and sorghum grains have declined since January, but continue higher than a year earlier. Average prices received by farmers for the four feed grains declined 3 percent from January to February, but were still 5 percent higher than in February, 1956. Prices of high protein feeds in February and early March averaged about the same as a year earlier, with soybean meal relatively cheap compared with most other feeds. Prices paid for all feeds purchased also were 5 percent higher than a year ago.

Average prices received by farmers for corn during October-February have ranged 27 to 31 cents below the national average support of \$1.50 per bushel to cooperating producers in the commercial area. They also have been slightly below the \$1.25 support to non-complying producers. Through February 15 farmers had placed 313 million bushels of corn under loan and purchase agreement, 13 million more than a year earlier.

Prices of oats, barley, and sorghum grains have been generally above the price supports in recent months. Substantially smaller quantities of these grains were placed under price support in 1956-57 than a year earlier.

Farmers had signed agreements placing 4.5 million acres of corn under the 1957 Acreage Reserve Program through March 8, the deadline for signing 1957 agreements. The Department of Agriculture announced on March 14 an "over-the-limit" sign up for 1957 corn, which will permit farmers to place some additional acreage under the program.

WHEAT

March 1 intentions indicate wheat seedings of 12.8 million acres of all spring wheat in 1957, 3.5 million acres or 21 percent less than in 1956 and the smallest acreage of record. Reduced seedings reflect the 2.3 million acres of spring wheat land placed in the Acreage Reserve Program of the Soil Bank up to March 8 and an additional half million acres offered for participation. Intended plantings of durum wheat of 1.7 million acres, are a third less than last year and the 1946-55 average. This acreage may be materially changed if the program is liberalized. The acreage of other spring wheat that farmers intend to plant is indicated at 11.1 million acres, the smallest of record.

If yields per planted acre this year equal the 1951-55 average, by States, and acreage planted equals the intentions as of March 1, an all spring wheat crop of 175 million bushels would be produced. A winter wheat crop of 625 million bushels was indicated for 1957 as of December 1, 1956. These add to a possible all wheat total of 800 million bushels, compared with 997 million bushels in 1956.

The latest report on the progress of the 1957 Acreage Reserve Program indicates that 12,579,467 acres of wheat were signed up as of March 8, 1957. Maximum payments on this acreage would total 228 million dollars. This acreage includes winter wheat agreements signed last fall, less cancellations, plus spring wheat agreements signed through March 8.

Around mid-March cash wheat prices declined 2 to about 12 cents per bushel, reflecting snow and rain over the Southwest, with good amounts being received in portions of Kansas, Nebraska, and the spring wheat belt. The lower price also reflected the fact that scrip certificates earned under the "payment-in-kind" wheat export program were being redeemed in substantial quantities against export sales, thus drawing wheat from CCC stocks instead of from the free market. On March 19, prices of hard winter wheat at Kansas City and spring wheat at Minneapolis were 5 and 9 cents, respectively, below the high for the season. At St. Louis, prices were down 21 cents, but because they had advanced so sharply, they were still only 4 cents below the effective loan rate. This was the same as spring wheat at Minneapolis. Prices of white wheat in the Pacific Northwest are near the high for the season, and on March 19 were 41 cents above the effective loan. Some sales of white wheat from CCC stocks continue at market prices, which are slightly higher than the loan rate plus 5 percent plus carrying charges. However, CCC has discontinued redeeming scrip certificates in the Northwest area.

Through February 15 farmers had placed 250.9 million bushels of 1956-crop wheat under price support, compared with 316.3 million bushels of 1955-crop wheat under support through the same date a year earlier. A total of 181.2 million bushels of 1956-crop wheat was still under support as of February 15 after loan withdrawals by producers and loan liquidations of 69.7 million bushels.

Wheat exports July through February totaled about 345 million bushels this year compared with 172 million bushels last year. The large movement thus far supports earlier indications that total exports will reach 450 million bushels for the year ending June 30.

FRUIT

With seasonally heavy buying of mid-season oranges by processors, grower prices for Florida oranges increased a little more during February. In early March, prices at processing plants averaged considerably under a year earlier. But prices at shipping points for fresh market oranges averaged moderately higher than a year earlier. Harvest of mid-season varieties was nearly completed by mid-March. Fresh market shipments of Valencias were increasing during March, but movement of Valencias to processors probably will not become heavy until April. Prices at terminal auctions for Florida oranges increased since mid-February, but declined somewhat for California oranges. Both still averaged somewhat higher in early March than a year earlier.

Prices for most varieties of apples of good stock at shipping points held fairly steady during late February and early March. Levels were generally much higher than a year earlier. Stocks of apples in cold storage on March 1, 1957 were moderately smaller than a year earlier but moderately larger than usual for the date, according to the Cold Storage Report of the USDA. Packers' stocks of canned applesauce February 1 were about 11 percent larger than a year ago, and stocks of canned apples were up about 2 percent. Cold-storage stocks of pears on March 1 were somewhat larger than a year earlier. Strong demand caused prices for the D'Anjou pear to increase moderately during February on the principal auctions, and in early March they reached a level moderately above a year previously. The D'Anjou is the principal variety still being marketed.

Supplies of strawberries now moving to market from the early-spring States (Louisiana, Alabama, and Texas) are estimated to be 13 percent smaller than in 1956. Acreage for harvest in the mid-spring States is about the same as a year ago, but prospective acreage in the late-spring States is up 12 percent. The mid-spring and late-spring acreages produce most of the strawberries that are marketed fresh or processed, mostly by freezing. Cold-storage stocks of frozen strawberries continue considerably larger than a year ago.

Weekly output of frozen orange concentrate in Florida during February and early March was heavier than in this period of 1956, when the peak in production came a little earlier. During February, total production surpassed that of a year earlier, and by March the pack of 37.6 million gallons was 7 percent larger than a year earlier. With disappearance about the same this season as last and carryover stocks somewhat heavier last fall than a year earlier, stocks on March 2, 1957 were considerably heavier than on that date in 1956. Output of frozen concentrate from the Florida Valencia crop is expected to run heavy during the spring.

The Florida pack of canned single-strength orange juice through March 2 of the 1956-57 season was about 13.6 million cases (24-2's), 6 percent larger than a year earlier. However, output of canned grapefruit juice was down 6 percent and blended juice down 9 percent. Some increase in stocks at the start of the season and a small decrease in disappearance upped total stocks of canned citrus juices on March 2, 1957, about 15 percent from a year earlier. Cold-storage holdings of frozen fruits (excluding juices) declined seasonally during February, and on March 1 were about 10 percent above a year earlier.

COMMERCIAL VEGETABLES

For Fresh Market

The production of fresh market vegetables for the 1957 winter-season was estimated in early March at 29.6 million hundredweight, only 4 percent less than the 1949-55 average, but 13 percent below that of 1956. Among major vegetables, biggest decreases in production this winter compared with last occurred for cabbage, carrots, lettuce, and celery. Production of cauliflower and sweet corn are substantially larger than a year ago, and both production and imports of tomatoes have been above those of last winter.

Production estimates are currently available for only a few vegetable for spring harvest. Production of spring shallots promises to be about a third less than a year earlier. The acreage of spring carrots is down sharply from last year. In the early-spring season, production of cauliflower and lettuce is expected to be materially larger than that of 1956, asparagus about the same, and production of broccoli and onions substantially smaller. Although production estimates are not available for early spring cabbage and tomatoes, preliminary reports indicate an 8 percent smaller acreage of cabbage and a fourth less acreage of tomatoes. Yields near the average of recent years on the indicated acreage would result in less cabbage and tomatoes than a year earlier.

Among late spring crops, acreage of asparagus is slightly above that of a year earlier, and acreages of cabbage, onions and watermelons are moderately to substantially larger. If yields on the reported acreage are near the average of recent years, output of late spring asparagus, cabbage and watermelons will be slightly larger than a year ago and late spring onions substantially larger. The Intentions Report also indicates that farmers plan to plant a substantially larger acreage of onions for early summer market and a moderately larger acreage for late summer harvest. Near average yields on the indicated acreages would result in a production in excess of the normal market requirements of recent years.

For Commercial
Processing

Canned and frozen vegetables are in considerably larger supply than a year ago, and wholesale and retail prices are lower for a number of important items. Because stocks at the end of the current marketing season are expected to be materially larger than a year earlier, processors are likely to plan for a smaller 1957 pack of most items. Early reports estimate the winter and early spring crops of spinach for processing at 78,500 tons, about 10 percent more than in 1956 and about a third above the 1946-55 average. Reports on March 1 indicate that producers plan to plant 3 percent fewer

acres of peas for processing than last year. The acreage indicated for freezing is down 14 percent from last year while that for canning is 2 percent larger. Average yields on the indicated acreage would result in a tonnage about a fourth less than last year, but about a tenth above the ten-year average.

POTATOES AND SWEETPOTATOES

Consumers appear to be taking about the same quantity of potatoes as a year ago. But storage stocks of fall crop potatoes on March 1 were still above those for the same date of 1956, and prospects point to larger supplies of new crop potatoes during the next 2 months. With heavy supplies in prospect during the next couple of months, prices received by farmers are expected to remain relatively low. Larger quantities of potatoes are being moved under the potato diversion program. Through March 16, 1957 10.7 million hundredweight of potatoes had been diverted to starch and livestock feed in areas operating under the Section 32 diversion program—about 0.5 million hundredweight more than the total diversion last season, and approximately 29 percent more than had been diverted by mid-March last year. About two-thirds of the total diverted this season have been eligible for diversion payments.

Farmers in February indicated intentions to plant 105,400 acres of potatoes for early summer harvest, 4 percent more than in 1956. Producers in the 33 late summer and fall States indicated, in early March, intentions to plant about 2 percent less acreage than last year.

Although production of 1956-crop sweetpotatoes was substantially smaller than 1955 production, shipments through early March have held up well compared with those of a year ago. Remaining supplies are apparently much smaller than a year ago. Prices received by farmers are expected to continue substantially above the low levels of a year earlier. Reports of intentions indicate that farmers plan to plant a 3 percent smaller acreage of sweetpotatoes this year than last.

DRY BEANS AND PEAS

The quantity of dry edible beans available in the 1956-57 season is slightly smaller than in the previous year. However, overall supplies appear more than adequate to meet domestic and export demand, and considerable quantities of beans have been placed under government loan. In mid-February United States farm price of dry beans averaged \$6.77 per hundred pounds, slightly higher than a year earlier. Support prices have been announced for 1957 crop dry beans. The national average support price is \$6.31 per hundred pounds (basis U. S. No. 1 beans), the same as the 1956 support price. March intentions indicate that farmers plan to plant slightly more dry beans in 1957 than in 1956.

During the first half of the 1956-57 marketing season, both domestic and export channels have taken substantially larger quantities of dry peas than a year earlier. But the 1956 crop was almost double the 1955 crop, and the relatively large supplies remaining are exerting heavy pressure on prices. Prices paid to farmers on February 15 averaged \$3.61 per hundred-weight, much below that date for any of the previous four years. The intentions report indicates that farmers plan to plant a slightly smaller acreage of dry peas this year than last.

COTTON

As of March 8 about 2.6 million acres of land from upland cotton acreage allotments had been signed under the 1957 reserve program. The maximum acreage that originally could be signed under the program was the larger of 10 acres or 30 percent of the farm acreage allotment. However, farmers were permitted to offer more acreage than the 30 percent maximum limit for consideration, should funds be available. On March 1 it was announced that those who had indicated a desire to sign additional land above the maximum limit could do so. The announcement stated that in counties where cotton acreage allotments total less than 4,000 acres, funds are being made available for the acceptance of all additional acreage that has been offered. For the larger cotton producing counties, the acreage reserve may be limited to 45 percent of the total acreage allotment for the county.

On February 9 the support level for the 1957 crop of upland cotton was set at a minimum of 28.15 cents per pound for Middling 7/8-inch cotton at average location. This compares with 29.34 cents per pound for the 1956 crop. The 1957 support level was based on 77 percent of the mid-January parity price, which compares with 82.5 percent for the 1956 support level. The February 9 announcement stated that in the event that the minimum level of support required by law on the basis of the supply percentage as of the beginning of the next marketing year (August 1, 1957), and the applicable parity price is higher than the support level announced today, the level of support will be increased accordingly. The mid-February parity price for upland cotton was 36.81 cents per pound or 0.25 cents above the mid-January parity.

The average 14 spot market price for Middling 1-inch cotton has remained below 34 cents per pound since the start of the current season last August 1. The average support level for the 1956 crop at these markets is 33.02 cents per pound. On March 18 the average 14 spot market price was 33.81 cents per pound. A year earlier the price was 35.50 cents per pound. The price for Middling 7/8-inch cotton on March 15 was 30.16 cents.

Domestic mill consumption for cotton from August through January was about 4.6 million bales. A year earlier consumption for approximately the same period was about 4.7 million bales. Activity in the gray goods markets continues slow.

Exports of cotton from August 1 through January 1957 were about 3.8 million bales. These compare with exports during the entire 1955-56 season of 2.2 million bales and exports from August 1 through January 1956 of about 0.7 million. Trade reports indicate that exports since January have continued at a high rate. Sales of CCC stocks for export between August 1, 1956 and August 15, 1957 totaled about 6.4 million bales as of March 6.

On February 19 an export program for CCC stocks of upland cotton was announced for the 1957-58 season. This program is substantially the same as the program for the current season. Cotton falling under the 1957-58 program must be shipped after August 15, 1957, within 9 months of the delivery of the cotton or warehouse receipts by CCC to the purchaser and no later than August 1, 1958.

WOOL

Prices of wool at the Australian auctions continued to advance during February but declined a little in early March. As of mid-March, they ranged from about the same as to a little lower than a month earlier and between 25 and 35 percent above a year earlier. Boston quotations for most domestic wools were unchanged from a month earlier. The February mid-month average of prices received by domestic growers for shorn wool was about 1 percent higher than that for the previous month and about 21 percent above a year earlier.

United States production of wool last year is estimated at 232 million pounds of shorn wool and 40 million pounds of pulled wool. Total production was equivalent to about 132 million pounds of scoured wool, about 2 percent less than in 1955.

During February, the Commodity Credit Corporation sold 3.6 million pounds (actual weight) of wool, about three-fifths of its monthly quota under the competitive bid program. This was the first month since last August that the full quota was not sold. The decline in CCC sales reflects a weakening in demand, as well as the fact that the 1957 clip will soon be coming on the market. As of the end of February, the CCC wool inventory was down to about 57 million pounds, actual weight, compared with 149 million pounds on November 1, 1955, when the program went into effect.

World consumption of wool last year is estimated to have been about 8 percent above 1955. Mill use during the final quarter of the year was about 9 percent above a year earlier and the highest since the first quarter of 1950. Use of other fiber by the world wool textile industry last year was up 3 percent.

Domestic mills used about 6 percent more wool last year than in 1955. Consumption of apparel wool was up 5 percent and of carpet wool up 8 percent. The average weekly rate of mill use of apparel wool during January 1957 was about 14 percent below a year earlier; the rate of carpet wool use was down 8 percent from a year earlier.

United States imports of dutiable wool for consumption last year were 8 percent lower than in 1955. Imports of duty-free wool were about 5 percent above those of 1955.

TOBACCO

According to the March 1 report on prospective acreage for 1957, the indicated acreage for flue-cured at 662,900 is 24 percent lower than the 1956 harvested acreage. This reflects the 20 percent cut in acreage allotments and the placement of a sizable acreage in the acreage reserve program. Over 77,000 acres of the eligible types of tobacco have been signed up in the Soil Bank program, and nearly three-fifths of this is flue-cured acreage. The 1957 Soil Bank program is contributing to sizable reductions in acreages of Connecticut Valley binder, fire-cured, dark air-and sun-cured, and Maryland tobaccos.

The 1957 acreage indication for burley is 307,000--only 1 percent less than that harvested in 1956. The March 1 intended acreages of fire-cured, dark air-cured, and Maryland tobaccos were 19, 17, and 9 percent less, respectively, than harvested last year. Acreage allotments on burley are about the same as in 1956 but were cut for the other three kinds.

Indicated 1957 acreage for cigar binder in the Connecticut Valley is 17 percent below last year but additional sign up in the acreage reserve probably has occurred since March 1. The 1957 cigar binder acreages of Northern Wisconsin and Southern Wisconsin are indicated as being up 5 and 10 percent, respectively. The March 1 acreage indication for Pennsylvania filler was the same as that harvested last year but for Ohio filler, down 5 percent. Shade-grown cigar wrapper acreage may be 2 percent less than in 1956 with all the decrease indicated in Florida.

The 1956-57 crop of Puerto Rican tobacco now being harvested is about one-tenth smaller than last season and the smallest in several years.

The marketings of 1956 crop tobacco have been virtually completed except for Maryland and Puerto Rican types. The Maryland tobacco crop will be marketed mostly this spring and summer, and the Puerto Rican crop mostly during the first half of 1957. Last year the 1955 Maryland crop brought an average of 49.8 cents per pound. The Government support level for the crop is 47.0 cents per pound--90 percent of the October 1, 1956 parity. The Puerto Rican type 46 price average last season was near 25 cents, and the Government support level for the 1956 crop is 31.4 cents per pound.

The 1956 flue-cured crop brought an average of 51.6 cents per pound--2 percent lower than in each of the previous 3 seasons. The 1956 burley crop sold for the highest price on record--63.6 cents per pound-- $8\frac{1}{2}$ percent above the previous record average received for the 1955 crop. The 1956 average price for fire-cured at about 37.0 cents was nearly the same as in the last 2 seasons. The 1956 crops of dark air-cured and sun-cured brought 33.8 and 35.6 cents per pound, respectively --up 6 and 40 percent, respectively, from 1955. In 1955, the sun-cured average price was lowered by much poor quality tobacco resulting from storm damage. Prices of cigar filler grown in Pennsylvania averaged about 25 cents per pound this past season--up slightly from a year earlier. Prices of the 1956 crops of cigar binder types in Connecticut and Wisconsin averaged about 20 percent higher than a year earlier when they were the lowest for several years.

Consumption of cigarettes and cigars (including cigarillos) is expected to make gradual gains during 1957. There may be a further decline in chewing and smoking tobacco consumption and perhaps snuff.

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